

2010

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 03 2014

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
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DECEMBER 31, 2013**

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Broussard & Company
Certified Public Accountants

Board of Commissioners
Lafourche Basin Levee District
Vacherie, Louisiana

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Lafourche Basin Levee District (the District) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Lafourche Basin Levee District, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other supplementary information on pages 3-7 and 26-30, respectively, be presented to supplement the basic financial statements as well as the Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Reporting Package starting on page 33. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lafourche Basin Levee District's internal control over financial reporting and compliance.



Lake Charles, Louisiana

July 29, 2014

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

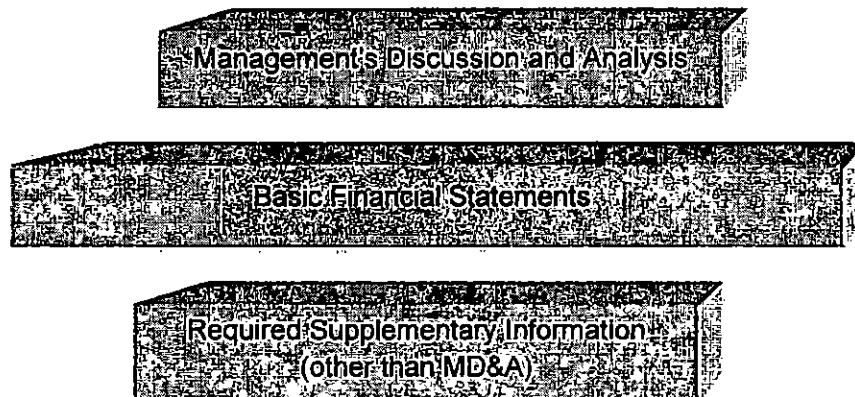
Management's Discussion and Analysis of the Lafourche Basin Levee District (District)'s (BTA) financial performance presents a narrative overview and analysis of the District's (BTA) financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the District's (BTA) financial statements.

FINANCIAL HIGHLIGHTS

- ★ The District's (BTA) assets exceeded its liabilities at the close of fiscal year 2013 by \$14,435,260, which represents a 0.7% increase from last fiscal year.
- ★ The District's (BTA) revenue increased \$1,043,130 (or 31%) and the net results from activities increased by \$1,140,212.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 9-10 provide information about the activities of the Lafourche Basin Levee District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the District's basic services are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provided a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of December 31, 2013 (in thousands)		
	Total	
	2013	2012
Current and other assets	\$ 14,715	\$ 13,792
Capital assets	1,484	1,688
Total assets	16,199	15,480
Other liabilities	1,763	1,951
Long-term debt outstanding	-	-
Total liabilities	1,763	1,951
Net assets:		
Invested in capital assets, net of debt	1,484	1,688
Unrestricted	12,951	11,842
Total net assets	\$ 14,435	\$ 13,530

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

Net assets of the District (BTA) increased by \$905,372, or 0.7%, from December 31, 2012 to December 31, 2013. The primary reason is due to the collection of prior year ad valorem taxes made in the current fiscal year 2013.

CAPITAL ASSET AND DEBT ADMINISTRATION

Statement of Revenues, Expenses, and Changes in Fund Net Assets for the years ended December 31, 2013 (in thousands)		
	Total	
	2013	2012
General revenues	\$ 4,406	\$ 3,363
General government expenses	3,501	3,570
Operating income(loss)	905	(207)
Non-operating revenues	-	-
Non-operating expenses	-	(27)
Income(loss) before transfers	905	(234)
Transfers in	-	-
Transfers out	-	-
Net increase(decrease) in net assets	\$ 905	\$ (234)

Capital Assets

At the end of fiscal year ended December 31, 2013, the District (BTA) had \$1,484,081 invested in a broad range of capital assets (see accompanying table). This amount represents a net decrease (including additions and deductions) of \$204,193, or 12%, over last year.

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

	2013	2012
Land	\$ 130,227	\$ 130,227
Buildings and improvements	251,199	265,553
Equipment	1,102,655	1,292,494
Infrastructure	-	-
Totals \$	<u>1,484,081</u>	<u>1,688,274</u>

Debt

The District (BTA) had \$1,648,896 in long term liabilities at year-end compared to \$1,644,434 last year, an increase of 0.02% as shown in the accompanying table

Outstanding Debt at Year-end (in thousands)		
	2013	2012
Compensated absences payable	112	107
GRB liability	1,537	1,537
Total	<u>1,649</u>	<u>1,644</u>

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$980,000 over budget due to the collection prior year ad valorem taxes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Ad valorem taxes
- Interest income
- Oil and gas royalties
- Projects under construction

CONTACTING THE DISTRICT'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton Rouyea, external accountant, at 225-622-1651.

BASIC FINANCIAL STATEMENTS

EXHIBIT A

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013**

ASSETS**Current Assets**

Cash and cash equivalents	\$ 1,007,714
Investments	10,319,070
Accounts receivable	3,286,615
Due from Other Governmental Entities	91,854
Total current assets	<u>14,705,253</u>

Noncurrent Assets**Capital assets, net of accumulated depreciation:**

Land	130,227
Buildings and improvements	251,199
Automobiles and equipment	1,102,655
Total capital assets, net	<u>1,484,081</u>

Notes receivable	9,570
Total noncurrent assets	<u>1,493,651</u>

TOTAL ASSETS	\$ <u>16,198,904</u>
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LIABILITIES AND NET POSITION**Current Liabilities**

Accounts payable and accrued expenses	\$ 14,667
Accrued payroll liabilities	35,281
Deferred revenues	64,800
Total current liabilities	<u>114,748</u>

Long-term Liabilities

Compensated absences	111,896
OPEB payable	1,537,000
Total long-term liabilities	<u>1,648,896</u>

Total liabilities	<u>1,763,644</u>
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Net Position

Invested in capital assets	1,484,081
Unrestricted	12,951,179
Total net position	<u>14,435,260</u>

TOTAL LIABILITIES AND NET POSITION	\$ <u>16,198,904</u>
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The accompanying notes are an integral part of this financial statement.

EXHIBIT B

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
General Government					
Personal services	\$ 1,860,019	\$ -	\$ -	\$ -	\$ (1,860,019)
Travel	12,653	-	-	-	(12,653)
Operating services	969,943	-	-	-	(969,943)
Supplies	300,501	-	-	-	(300,501)
Professional services	140,346	-	-	-	(140,346)
Depreciation/Amortization	217,065	-	-	-	(217,065)
Total General Government	<u>\$ 3,500,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,500,527)</u>
General Revenues:					
Taxes					4,083,928
State revenue sharing					70,864
Interest income					86,768
Licenses and permits					13,368
Royalties and leases					70,411
Miscellaneous					<u>80,560</u>
Total General Revenues					<u>4,405,899</u>
CHANGE IN NET POSITION					905,372
NET POSITION, BEGINNING OF YEAR					<u>13,529,888</u>
NET POSITION, END OF YEAR					<u>\$ 14,435,260</u>

The accompanying notes are an integral part of this financial statement.

EXHIBIT C

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
AS OF DECEMBER 31, 2013**

ASSETS

Cash and cash equivalents	\$	1,007,714
Investments		10,319,070
Tax revenues receivable		3,286,615
Due from other governmental entities		91,854
Notes receivable		9,570
		<hr/>
TOTAL ASSETS	\$	14,714,823

LIABILITIES AND FUND BALANCES**Liabilities**

Accounts payable and accrued expenses	\$	14,667
Accrued payroll liabilities		35,281
Deferred revenues		64,800
		<hr/>
Total Liabilities		114,748

Fund Balances**Nonspendable:**

Notes receivable		9,570
Unassigned		14,590,505
		<hr/>
Total Fund Balance		14,600,075

TOTAL LIABILITIES AND FUND BALANCE	\$	14,714,823
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The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LAFORCHE BASIN LEVEE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2013

Total Fund Balances for Governmental Funds (Exhibit C) \$ 14,600,075

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital and other assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	130,227	
Buildings and building improvements, net of \$322,968 in accumulated depreciation	251,199	
Automobiles and equipment, net of \$1,867,129 in accumulated depreciation	1,102,655	
Total Capital and Other Assets		1,484,081

Long-term liabilities, including compensated absences payable and post-employment benefits payable are not due and payable in the current period and therefore are not reported in the fund liabilities.

(1,648,896)

Total Net Assets of Governmental Activities (Exhibit A) \$ 14,435,260

The accompanying notes are an integral part of this financial statement.

EXHIBIT E

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

REVENUES

Taxes	\$ 4,083,928
State revenue sharing	70,864
Interest income	86,768
Royalties and leases	70,411
Miscellaneous	93,928
	<hr/>
Total Revenues	4,405,899

EXPENDITURES

General government	
Personal services	1,855,557
Travel	12,653
Operating services	969,943
Supplies	300,501
Professional services	140,346
Capital outlay	12,872
	<hr/>
Total Expenditures	3,291,872

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,114,027
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FUND BALANCE, BEGINNING OF YEAR	13,486,048
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FUND BALANCE, END OF YEAR	<hr/> \$ 14,600,075
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The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balances – Total Governmental Funds (Exhibit E) \$ 1,114,027

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which payments for capital outlay (\$12,872) is exceeded by depreciation (\$217,065) in the current period.

(204,193)

Some expenses reported in the statement of activities, such as compensated absences and post-employment benefits payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(4,462)

Total Change in Net Assets of Governmental Activities (Exhibit B)

\$ 905,372

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

INTRODUCTION

The Lafourche Basin Levee District, a component unit of the State of Louisiana, was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The Lafourche Basin Levee District is domiciled in Vacherie, Louisiana and was created for the primary purpose of maintaining and operating the levee systems of all or portions of the following parishes: Ascension, Assumption, St. Charles, St. James and St. John the Baptist. The Lafourche Basin Levee District insures the integrity of the levee system throughout the year and during times of emergency, responds with trained personnel and the necessary equipment to provide protection of lives and property. The Board of Commissioners administers the operations and responsibilities of the Levee District in accordance with the provisions of Louisiana statute. The eleven members of the Board of Commissioners which governs the District are appointed by the governor of the State of Louisiana.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Basin Levee District's financial statements are prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. The more significant accounting policies established in GAAP and used by the Lafourche Basin Levee District are discussed below.

1. Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Levee District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and can impose his will on the district. The accompanying general purpose financial statements contain information only as to the transactions of the Lafourche Basin Levee District. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

2. Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the funds maintained by the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general fund is classified as governmental activities.

In the government-wide statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The District's net assets are reported in two parts-invested in capital assets and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which must be directly associated with the function. The net costs (by function) are normally covered by general revenue.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets from the current year's activities.

3. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. *Governmental Funds* – the focus of the governmental funds' measurement (in the fund statements) upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:
 - a. General funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for by another fund.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. *Accrual* – The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
2. *Modified Accrual* – The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation with no amendments.

6. Cash and Cash Equivalents

The District defines cash and cash equivalents as follows:

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at an time without prior notice or penalty.

Cash equivalents – include all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

7. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

8. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2013, there were no amounts considered to be uncollectible.

9. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations in the Statements of Activities. Capital assets net of accumulated depreciation are reported on the statement of Net Assets. Depreciation is computed using the straight-line method over the useful lives of the assets, generally 10 to 45 years for buildings and building improvements and 3 to 10 years for movable property. Expenditures for maintenance, repairs, and minor renewals are charged to earnings as incurred. Major expenditures for renewal and betterments are capitalized. The District's policy is to capitalize items with a unit cost of \$5,000 or greater. In accordance with Office of Statewide Reporting and Accounting Policy (OSRAP) guidelines, infrastructure assets are to be capitalized and depreciated over a useful life of 40 years.

OSRAP has set a threshold for infrastructure assets are to be capitalized at \$3,000,000 spent per entity per year. The Lafourche Basin Levee District did not have expenditures relating to infrastructure assets

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

which met this threshold. Therefore, no infrastructure assets are recognized in the accompanying financial statements.

10. Compensated Absences

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon determination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes.

The current portion of compensated absences payable (the amount estimated to be used during the period of availability) is recorded as a liability in the fund financial statements. The entire balance of compensated absences payable is recognized as a liability in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

11. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Long-Term Obligations

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The District recognizes other post-employment benefits liability in the government-wide financial statements based on actuarially determined obligations under GASB No. 45.

13. Fund Balance – Governmental Funds

The Lafourche Basin Levee District elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, fund balance for the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by ordinances or resolutions approved by the Board of the District.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of the District.

Unassigned – all other spendable amounts.

As of December 31, 2013, fund balances are composed of the following:

<u>Category</u>	<u>Governmental Fund</u>
Nonspendable	9,570
Unassigned	<u>14,590,505</u>
Total fund balance	<u>\$ 14,600,075</u>

14. Recent Accounting Pronouncements

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement is effective for financial statements beginning after December 15, 2011. This Statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement is effective for financial statements for years beginning after December 15, 2012. This Statement established accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statements elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The adoption of GASB Statement No. 63 in the current year had no significant impact on the financial statements. The adoption of GASB Statement No. 65 is expected to have changes on the formatting of the financial statements and classifications of certain items within the financial statements and the related disclosures.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE B – CASH AND CASH EQUIVALENTS

At December 31, 2013, the Lafourche Basin Levee District had cash and cash equivalents (book balances) totaling \$1,007,714 as detailed as follows:

1. Cash and Cash Equivalents

Cash and Cash equivalents at December 31, 2013 (book balances) totaled \$1,007,714. These deposits are stated at costs, which approximates market. Under state law, these deposits (or the resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2013, the District had \$1,022,164 in deposits (collected bank balances) that were insured by the Federal Deposit Insurance Corporation and collateralized with securities held by the pledging institutions trust department or its agent.

2. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The bank balances of deposits exposed to custodial credit risk are as follows:

	<u>Cash</u>
Deposits per statement of net position	<u>\$ 1,007,714</u>
Deposits in bank account per bank	<u>\$ 1,022,164</u>
Bank balance of deposits exposed to custodial credit risk: Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in entity's name	<u>\$ 1,022,164</u>

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE C – INVESTMENTS

The Lafourche Basin Levee District does maintain investment accounts as authorized by LSA-RS 33:2955. Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure.

<u>Type of Investment</u>	<u>Reported Amount per Statement of Net Position</u>	<u>Fair Value</u>
US government obligations	\$ 8,721,131	\$ 8,721,131
Municipal bonds	1,597,939	1,597,939
	<u>\$ 10,319,070</u>	<u>\$ 10,319,070</u>

NOTE D – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2013 are comprised of ad valorem taxes received in January and February 2014 in the amount of \$3,286,615.

NOTE E – CAPITAL ASSETS

A summary of Lafourche Basin Levee District's capital assets at December 31, 2013 follows:

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2013</u>
Non-depreciable:				
Land	\$ 130,227	\$ -	\$ -	\$ 130,227
Total Non-depreciable	<u>130,227</u>	<u>-</u>	<u>-</u>	<u>130,227</u>
Depreciable:				
Buildings and improvements	574,167	-	-	574,167
Less accumulated depreciation	(308,614)	(14,354)	-	(322,968)
Total buildings and improvements	<u>265,553</u>	<u>(14,354)</u>	<u>-</u>	<u>251,199</u>
Movable equipment	2,956,912	12,872	-	2,969,784
Less accumulated depreciation	(1,664,418)	(202,711)	-	(1,867,129)
Total movable equipment	<u>1,292,494</u>	<u>(189,839)</u>	<u>-</u>	<u>1,102,655</u>
Total Depreciable	<u>1,558,047</u>	<u>(204,193)</u>	<u>-</u>	<u>1,353,854</u>
Total Capital Assets, net	<u>\$ 1,688,274</u>	<u>\$ (204,193)</u>	<u>\$ -</u>	<u>\$ 1,484,081</u>

Depreciation expense for the year ended December 31, 2013 was \$217,065.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE F – DUE FROM OTHER GOVERNMENTAL ENTITIES

At December 31, 2013, the District was owed money from several governmental entities. The most significant amount was owed from the North Lafourche Levee District in the amount of \$74,419.

NOTE G – ACCOUNTS PAYABLE

The following is a summary of accounts payable at December 31, 2013:

<u>Class of Payable</u>	
General	<u>\$ 14,667</u>
Total accounts payable	<u>\$ 14,667</u>

NOTE H – DEFERRED REVENUES

Deferred revenues as of December 31, 2013 consisted of \$64,800 in ad valorem taxes received after February 28, 2014.

NOTE I – LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>
Compensated Absences	\$ 107,434	\$ 82,790	\$ (78,328)	\$ 111,896
OPEB Payable	1,371,350	218,050	(52,400)	1,537,000
	<u>1,478,784</u>	<u>300,840</u>	<u>(130,728)</u>	<u>1,648,896</u>
Total long-term liabilities, government-wide statements				<u>\$1,648,896</u>

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE J – EMPLOYEE BENEFITS – OTHER POST EMPLOYMENT BENEFITS

The District may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all employees become eligible for those benefits if they reach normal retirement age while working for the District and were covered by the District's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HM or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P.O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10yrs. – 81%; 10-14 yrs. – 62%; 15-19yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO, and EPO plans. The retiree pays 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended December 31, 2013, this amount ranges \$341 to \$375 per month for single members with Medicare or \$1,016 to \$1,152 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,218 to \$1,384 per month for those with Medicare or \$1,783 to \$2,034 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation. The District's Annual Required Contribution (ARC) is an amount actuarially in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE J – EMPLOYEE BENEFITS – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2012, is as follows:

Annual OPEB Expense and Net OPEB Obligation

Fiscal Year Ending	12/31/2013
Net OPEB Obligation at December 31, 2012	\$ 1,371,350
Annual Required Contribution	209,600
Interest on Net OPEB Obligation	54,900
ARC Adjustment	<u>(52,400)</u>
Annual OPEB Expense	212,100
Contributions made	<u>(46,450)</u>
Net OPEB Obligation at June 30, 2012	<u>\$ 1,537,000</u>
Percentage of Annual OPEB Cost Contributed	21.90%

Funding Status and Funding Progress. As of December 31, 2013, the District had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below:

Actuarial accrued liability (AAL)	\$ 2,282,500
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 2,282,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	925,800
UAAL as a percentage of covered payroll	247%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE
DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE J – EMPLOYEE BENEFITS – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 7.5% and 8.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The District's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at December 31, 2013, was thirty years.

NOTE K – RISK MANAGEMENT

The Lafourche Basin Levee District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

NOTE L – LEVEE DISTRICT TAXES

Article 6, Section 39 of the Louisiana Constitution of 1974 provides that, for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the levee district may annually levy a tax not to exceed 3.52 mills. If the levee district need to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of 3.64 mills must be approved by the majority of the vote of the electors. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1. The taxes are generally collected in December of the current year and January of the ensuing year. The current millage rate is 3.47 mills.

NOTE M – DEFERRED COMPENSATION PLAN

Effective July 17, 2000, the District established an Internal Revenue Code 457 (Section 457 Plan) with Travelers Insurance Company adopting Travelers Allocated Contracts which allows each participant to choose from four or more plans offered. The plan provides each participant their own account with the ability to administer their investment accounts. The District's contribution to the Section 457 Plan was \$194,702 for the year ended December 31, 2013.

NOTE N – SUBSEQUENT EVENTS

These financial statements considered subsequent events through July 29, 2014, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

J

State of Louisiana
Lafourche Basin Levee District
Schedule of Per Diem Paid to Board Members
For the Year Ended December 31, 2013

Schedule 1

Page 27

<u>Commissioners</u>	<u>Amount</u>
John Boughton	\$ 2,550
Leone Carmouche, Jr.	2,475
Joseph Dantin	525
Stanley Folse	900
Robert LeBlanc	1,950
Russell Loupe	1,725
William Sirmon	1,050
Wayne Waguespack	2,550
Marlin Rogers	2,025
Mike McKinney	2,625
Warner Sylvain	1,050
Whitney Jasmin	1,350
James Jasmin	<u>1,425</u>
Total	<u>\$ 22,200</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per Diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personnel services expenses. Board members are paid \$75 per day up to a maximum of 36 days per year for board meetings and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem.

SCHEDULE 2

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF STATE FUNDING
FOR THE YEAR ENDED DECEMBER 31, 2013**

Description of Funding

State Revenue Sharing	<u>\$ 70,864</u>
-----------------------	------------------

State of Louisiana
Lafourche Basin Levee District
Statement of Revenues, Expenditures and Changes in Fund Balance
of the Governmental Fund-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013

Schedule 3
Page 29

	Budget	Actual	Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 3,111,450	\$ 4,083,928	\$ 972,478
Intergovernmental-			
State Revenue Sharing	70,600	70,864	264
Miscellaneous-			
Royalties & Leases	233,000	70,411	(162,589)
Licenses & Permits	7,500	13,368	5,868
Other	0	165,163	165,163
Total Revenues	<u>3,422,550</u>	<u>4,403,734</u>	<u>981,184</u>
EXPENDITURES:			
Current-			
General Government-			
Personnel Services	1,906,250	1,855,557	50,693
Travel	60,600	12,653	47,947
Operating Services	507,960	969,943	(461,983)
Operating Supplies	600,600	300,501	300,099
Professional Services	0	140,346	(140,346)
Capital Outlay	487,375	12,872	474,503
Special Projects	106,800	0	106,800
Total Expenditures	<u>3,669,585</u>	<u>3,291,872</u>	<u>377,713</u>
Excess (Deficiency) of Revenue over Expenditures	(247,035)	1,111,862	1,358,897
OTHER FINANCING SOURCES (USES)			
Other Income	2,165	2,165	0
Other Disbursements	<u>(2,021,772)</u>	<u>0</u>	<u>2,021,772</u>
Excess (Deficiency) of Revenue and Other Sources over Expenditures and Other Uses	(2,266,642)	1,114,027	3,380,669
Fund Balance - Beginning of Year	<u>13,486,048</u>	<u>13,486,048</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 11,219,406</u>	<u>\$ 14,600,075</u>	<u>\$ 3,380,669</u>

The accompanying notes are an integral part of this statement.

SCHEDULE 4

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR OPEB PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2012	-	\$ 2,282,500	\$(2,282,500)	0%	\$ 925,800	247%
July 1, 2011	-	\$ 2,461,600	\$(2,461,600)	0%	\$ 1,200,200	205%
July 1, 2010	-	\$ 3,396,200	\$(3,396,200)	0%	\$ 886,700	383%



Broussard & Company
Certified Public Accountants

SCHEDULE 5

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Lafourche Basin Levee
District
Vacherie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Lafourche Basin Levee District (the District), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

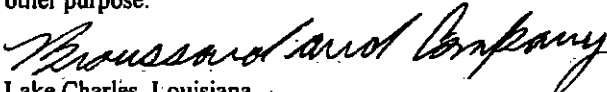
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Lake Charles, Louisiana
July 29, 2014

SCHEDULE 6

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | |
|--|-----------|-------------------|
| • Material weakness identified? | _____ yes | _____ <u>X</u> no |
| • Significant deficiencies identified that are not material weaknesses | _____ yes | _____ <u>X</u> no |
| • Noncompliance material to financial statements noted? | _____ yes | _____ <u>X</u> no |

**REQUIRED SUPPLEMENTARY INFORMATION –
DIVISION OF ADMINISTRATION REPORTING PACKAGE**

Lafourche Basin Levee District
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2013

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<http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)

The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended December 31, 2013
Lafourche Basin Levee District
P.O. Box 70 (21380 Highway 20)
Vacherie, Louisiana 70090
(Agency Name & Mailing Address)

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802


AFFIDAVIT

Personally came and approved before the undersigned authority, Randy Trosclair (Name)

(Title) of Executive Director of L. B. L. D. (Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Lafourche Basin Levee District (agency)

at December 31, 2013 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me this 29th day of July, 2014.


Signature of Agency Official


Notary Public
LARRY W. BUGNER
Notary # 18147

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STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

Please refer to the Management's Discussion and Analysis of the Lafourche Basin Levee District on pages 3 through 7 of the attached financial statements.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
STATEMENT OF NET POSITION
AS OF December 31, 2013

Statement A

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	1,007,714
Restricted Cash and Cash Equivalents		
Investments		10,319,070
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		3,286,615
Due from other governmental entities		91,854
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		9,570
Other Current Assets		
Total current assets		14,714,823

NONCURRENT ASSETS

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		130,227
Buildings and improvements		251,199
Machinery and equipment		1,102,655
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		1,484,081
Total assets	\$	16,198,904

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Total assets and deferred outflow of resources	\$	16,198,904

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
STATEMENT OF NET POSITION
AS OF December 31, 2013

Statement A

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 49,948
Derivative instrument	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	64,800
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	114,748

NONCURRENT LIABILITIES

Contracts payable	
Compensated absences payable	111,896
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	1,537,000
Other long-term liabilities	
Total noncurrent liabilities	1,648,896
Total liabilities	1,763,644

DEFERRED INFLOWS OF RESOURCES

Accumulated increase in fair value of hedging derivatives	\$
Deferred service concession arrangement receipts	
Total deferred inflows of resources	-

NET POSITION

Net investment in capital assets	1,484,081
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	12,951,179
Total net position	14,435,260
Total liabilities, deferred inflows of resources, and net position	\$ 16,198,904

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA**Statement B****Lafourche Basin Levee District (BTA)****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED December 31, 2013****OPERATING REVENUE**

Ad valorem taxes and state revenue sharing	\$ 4,154,792
Assessments	
Use of money and property	157,179
Licenses, permits, and fees	13,368
Federal grants and contracts	
State, local and nongovernmental grants and contracts	
Other	80,560
Total operating revenues	4,405,899

OPERATING EXPENSES

Personal services	1,860,019
Travel	12,653
Operating services	969,943
Supplies	300,501
Professional services	140,346
Capital projects	-
Depreciation and amortization	217,065
Total operating expenses	3,500,527
Operating income(loss)	905,372

NON-OPERATING REVENUES (EXPENSES)

Taxes	
Interest income	
Royalties and surfaces leases	
Sale of timber	
Oil and gas leases	
Miscellaneous	
Total non-operating revenues(expenses)	-
Income(loss) before contributions, extraordinary items, & transfers	905,372

Capital contributions

Extraordinary item

Transfers in

Transfers out

Change in net assets	905,372
Total net assets – beginning	13,529,888
Total net assets – ending	\$ 14,435,260

The accompanying notes are an integral part of this financial statement.

INSTRUCTIONS FOR THE SIMPLIFIED STATEMENT OF ACTIVITIES

Expenses - include all expenses, both operating and non-operating.

Program Revenues - include revenues derived from the program itself. These revenues reduce the net cost of the BTA's activities that must be financed from its general revenues. Program revenues should be reported in the following three categories:

Charges for services - include revenues based on exchange or exchange-like transactions. (An exchange transaction is one in which each party receives and gives up essentially equal values.) These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services.

Operating grants and contributions - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program and that may be used **either for operating or capital expenses** at the discretion of the BTA. (A non-exchange transaction is one in which an entity gives or receives value without directly receiving or giving equal value in return.)

Capital grants and contributions - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program and that are **restricted for capital purposes only** - to purchase, construct, or renovate capital assets associated with a specific program.

Net (Expense) Revenue - program revenues minus expenses.

General Revenues - all revenues are general revenues unless they are specifically required to be reported as program revenues.

Taxes - include all taxes received here, as all are considered general revenues, even those levied for a specific purpose.

State appropriations - include warrants drawn during the fiscal year and the 13th period, plus 14th period if applicable.

Grants and contributions not restricted to specific programs - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are not restricted to a specific program.

Interest - any interest earned that is not required to be reported as program revenue (earnings on investments legally restricted to use by a specific program should be reported as program revenue).

Miscellaneous - any general revenues that do not specifically fall under one of the categories listed.

Special items - significant items subject to management's control that meets one of the following criteria:

- 1) unusual in nature - possessing a high degree of abnormality and clearly unrelated or only incidentally related to the ordinary and typical activities of the entity.
- 2) infrequent in occurrence - not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

Extraordinary items - are both significant in nature and infrequent in occurrence.

Transfers - all interfund activities involving the flow of resources between funds.

Change in net position - net (expense) revenue plus general revenues and special items.

Net position - beginning - net position at the beginning of the fiscal year.

Net position - ending - beginning net position plus change in net position.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED December 31, 2013

Statement C

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>3,500,527</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>(3,500,527)</u>
General revenues:				
Taxes				<u>4,083,928</u>
State revenue sharing				<u>70,864</u>
Royalties and leases				<u>70,411</u>
Interest				<u>86,768</u>
Miscellaneous				<u>93,928</u>
Special items				<u> </u>
Extraordinary item				<u> </u>
Transfers				<u> </u>
Total general revenues, special items, and transfers				<u>4,405,899</u>
Change in net assets				<u>905,372</u>
Net position - beginning as restated				<u>13,529,888</u>
Net position - ending				\$ <u>14,435,260</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2013

Statement D
(continued)

Cash flows from operating activities

Cash receipts from customers	\$ 3,589,247	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(1,424,907)	
Cash payments to employees for services	(1,852,644)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		311,696

Cash flows from non-capital financing activities

Cash receipts of taxes		
Cash receipts of royalties		
Cash receipts of surface leases		
Cash receipts of oil and gas leases		
Cash receipts of sale of timber		
Cash receipts of miscellaneous items		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(12,872)	
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Other (***) provide explanation)		
Net cash provided(used) by capital and related financing activities		(12,872)

Cash flows from investing activities

Purchases of investment securities	(1,759,813)	
Proceeds from sale of investment securities	1,848,557	
Interest and dividends earned on investment securities	86,768	
Net cash provided(used) by investing activities		175,512

Net increase(decrease) in cash and cash equivalents		474,336
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Cash and cash equivalents at beginning of year		533,378
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Cash and cash equivalents at end of year	\$	1,007,714
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STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2013

Statement D
(concluded)

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ 905,372
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	217,065
Provision for uncollectible accounts	
Other	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	(856,363)
(Increase)decrease in due from other governmental entities	232,906
(Increase)decrease in prepayments	
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	1,449
Increase(decrease) in compensated absences payable	4,462
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	(193,195)
Increase(decrease) in OPEB payable	
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ 311,696

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	\$

The accompanying notes are an integral part of this statement.

Lafourche Basin Levee District (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2013

Please provide an explanation of what is included in "other." If there are multiple reasons, please list each out separately along with the amount.

*** Other (operating cash payments)**

****Other (cash flows from non capital financing activities)**

*****Other (cash flows from capital and related financing activities)**

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

INTRODUCTION

The Lafourche Basin Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute (R.S.) 38:291. The Lafourche Basin Levee District is comprised of all or portions of the following parishes: Ascension, Assumption, St. Charles, St. James and St. John the Baptist. The levee district primarily provides flood protection of those areas contained in the district. The Board of Commissioners administers the operations and responsibilities of the district in accordance with provisions of Louisiana statutes. The eleven members of the Board of Commissioners, which governs the district, are appointed by the governor of the State of Louisiana.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Lafourche Basin Levee District (BTA) present information only as to the transactions of the programs of the Lafourche Basin Levee District (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Lafourche Basin Levee District (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

B. BUDGETARY ACCOUNTING – NOT APPLICABLE

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Lafourche Basin Levee District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2013, consisted of the following:

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 1,007,714	\$	\$	\$ 1,007,714
Deposits in bank accounts per bank	\$ 1,022,164	\$	\$	\$ 1,022,164
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. First American Bank	General Fund	\$ 1,012,476
2. First American Bank	Payroll Account	9,688
3.		
4.		
Total		\$ 1,022,164

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$ -0-
Petty cash	\$ 50

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

2. INVESTMENTS

The Lafourche Basin Levee District (BTA) does maintain investment accounts as authorized by LSA-RS 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Statement of Net Position</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	8,721,131	8,721,131
U.S. Agency Obligations***	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ****	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: Municipal Bonds	_____	_____	1,597,939	1,597,939
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ 10,319,070	\$ 10,319,070

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendices Packet, Appendix A, at <http://www.doa.louisiana.gov/OSRAP/afpackets.htm> for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A in the Appendices Packet for a discussion of FNMA & FHLMC)

**** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES – NOT APPLICABLE
4. DERIVATIVES (GASB 53) – NOT APPLICABLE
5. POLICIES – The Lafourche Basin Levee District has no internal investment policies related to the risks noted above.
6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	<u>Balance</u> <u>12/31/2012</u>	<u>Prior Period</u> <u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>6/30/2012</u>	<u>Additions</u>	<u>*</u> <u>Reclassifi-</u> <u>cation of CIP</u>	<u>**</u> <u>Retirements</u>	<u>Balance</u> <u>12/31/2013</u>
Capital assets not depreciated:							
Land	\$ 130,227	\$ -	\$ 130,227	\$ -	\$ -	\$ -	\$ 130,227
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 130,227	\$ -	\$ 130,227	\$ -	\$ -	\$ -	\$ 130,227
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	574,167	-	574,167	-	-	-	574,167
** Accumulated depreciation	(308,614)	-	(308,614)	(14,354)	-	-	(322,968)
Total buildings	265,553	-	265,553	(14,354)	-	-	251,199
Machinery & equipment	2,956,912	-	2,956,912	12,872	-	-	2,969,784
** Accumulated depreciation	(1,664,418)	-	(1,664,418)	(202,711)	-	-	(1,867,129)
Total machinery & equipment	1,292,494	-	1,292,494	(189,839)	-	-	1,102,655
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 1,558,047	\$ -	\$ 1,558,047	\$ (204,193)	\$ -	\$ -	\$ 1,353,854
Capital asset summary:							
Capital assets not depreciated	\$ 130,227	\$ -	\$ 130,227	\$ -	\$ -	\$ -	\$ 130,227
Other capital assets, book value	3,531,079	-	3,531,079	12,872	-	-	3,543,951
Total cost of capital assets	3,661,306	-	3,661,306	12,872	-	-	3,674,178
Accumulated depreciation/amortization	(1,973,032)	-	(1,973,032)	(217,065)	-	-	(2,190,097)
Capital assets, net	\$ 1,688,274	\$ -	\$ 1,688,274	\$ (204,193)	\$ -	\$ -	\$ 1,484,081

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

E. INVENTORIES – NOT APPLICABLE

F. RESTRICTED ASSETS –NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

The Lafourche Basin Levee District has the following policy on annual and sick leave:

District employees, both classified and unclassified, earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

H. RETIREMENT SYSTEM

Effective July 17, 2000, the District established an Internal Revenue Code 457 (Section 457 Plan) with Travelers Insurance Company adopting Travelers Allocated Contracts which allows each participant to choose from four or more plans offered. The plan provides each participant their own account with the ability to administer their investment accounts. The District's contribution to the Section 457 Plan was \$194,702 for the year ended December 31, 2013.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

Complete the following table for only the net OPEB obligation (NOO), related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending December 31, 2013." Report note disclosures for other plans, not administrated by OGB, separately.

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	12/31/2013
1. * ARC	\$209,600.0
2. ** Interest on NOO	\$54,900.0
3. * ARC adjustment	\$52,400.0
4. * Annual OPEB Expense (1. + 2. + 3.)	\$212,100.0
5. Contributions (employer pmts. to OGB for retirees' cost of 2013 insurance premiums)	\$46,450.0
6. Increase in Net OPEB Obligation (4. + 5.)	\$165,650.0
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	1371350
8. **NOO, end of year (6. + 7.)	1,537,000

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending December 31, 2013."

**This should be the same amount as that shown on the statement of net position for the year ended December 31, 2013 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see Appendices Packet - Appendix D at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

J. LEASES - NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2013:

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
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	<u>Year ended December 31, 2013</u>			<u>Balance</u> <u>December 31</u> <u>2013</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
	<u>Balance</u> <u>December 31,</u> <u>2012</u>	<u>Additions</u>	<u>Reductions</u>		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable	107,434	82,790	78,328	111,896	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	1,371,350	218,050	52,400	1,537,000	
Other long-term liabilities				-	
Total other liabilities	<u>1,478,784</u>	<u>300,840</u>	<u>130,728</u>	<u>1,648,896</u>	<u>-</u>
Total long-term liabilities	\$ <u>1,478,784</u>	\$ <u>300,840</u>	\$ <u>130,728</u>	\$ <u>1,648,896</u>	\$ <u>-</u>

(Balances at December 31th should include current and non-current portion of L-T liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the statement of net position for each type of long-term liabilities.

- L. CONTINGENT LIABILITIES –NOT APPLICABLE**
- M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE**
- N. ACCOUNTING CHANGES – NOT APPLICABLE**
- O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE**
- P. DEFEASED ISSUES – NOT APPLICABLE**
- Q. REVENUES – PLEDGED OR SOLD (GASB 48) – NOT APPLICABLE**
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE**
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL – NOT APPLICABLE**
- T. SHORT-TERM DEBT – NOT APPLICABLE**

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2013, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$	\$	\$	\$
Gross receivables	\$ -	\$ 3,286,615	\$ 91,854	\$ 9,570	\$ 3,388,039
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ 3,286,615	\$ 91,854	\$ 9,570	\$ 3,388,039
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$
					-

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2013, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 14,667	\$ 35,281	\$	\$	\$ 49,948
Total payables	\$ 14,667	\$ 35,281	\$ -	\$ -	\$ 49,948

W. SUBSEQUENT EVENTS

These financial statements considered subsequent events through July 29, 2014, the date the financial statements were available to be issued.

**X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED
COMPONENT UNIT – NOT APPLICABLE**

Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION – NOT APPLICABLE

**BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) – NOT
APPLICABLE**

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICABLE

DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE

EE. POLLUTION REMEDIATION OBLIGATIONS – NOT APPLICABLE

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
Notes to the Financial Statement
As of and for the year ended December 31, 2013

a _____ (agency/department)
 GASB 49
 Inventory Log
 FYE 6/30/13

NOT APPLICABLE

	c	f	g	h	i	j	k	l	m	n	o	p	q
Project Name	FP&C/ DEQ Project Number	Trigger Year	6/30/12 Ending Balance	Increases	Decreases (expenditures) (including accruals)	Decreases (other adjustments)	6/30/13 Ending Balance (including accruals)	Percent Complete	Current Portion of L/T Debt	Non-Current Portion of L/T Debt	Realizable Recoveries	13th Period Expenditures	Notes
<u>Projects Reported @ 6/30/12: b</u>							0 0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
<u>Projects NOT Previously Reported: c</u>							0 0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
<u>Projects Begin after 7/1/12: d</u>							0 0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
Totals			0	0	0	0	0		0	0	0	0	

Explanations for GASB 49 Worksheet

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/11
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2012
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are not expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally estimated.
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable within the next 12 months
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/13. This amount plus the amount in column V (m) must total the amount in column R (k)
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court decision

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – NOT APPLICABLE

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES – NOT APPLICABLE

HH. SERVICE CONCESSION ARRANGEMENTS – NOT APPLICABLE

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
December 31, 2013
(Fiscal close)

Name	Amount
<u>John Boughton</u>	<u>\$ 2550</u>
<u>Leone Carmouche, Jr.</u>	<u>2475</u>
<u>Joseph Dantin</u>	<u>525</u>
<u>Stanley Folse</u>	<u>900</u>
<u>Robert LeBlanc</u>	<u>1950</u>
<u>Russell Loupe</u>	<u>1725</u>
<u>William Simon</u>	<u>1050</u>
<u>Wayne Waguespack</u>	<u>2550</u>
<u>Marlin Rogers</u>	<u>2025</u>
<u>Mike McKinney</u>	<u>2625</u>
<u>Warner Sylvain</u>	<u>1050</u>
<u>Whitney Jasmin</u>	<u>1350</u>
<u>James Jasmin</u>	<u>1425</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u>Total</u>	<u>\$ 22,200</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF NOTES PAYABLE
December 31, 2013
(Fiscal close)

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF BONDS PAYABLE
December 31, 2013
(Fiscal close)

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:		\$	\$	\$	\$		\$
Unamortized Discounts and Premiums Series:							
Total		\$	\$	\$	\$		\$

***Note: Principal outstanding (bond series minus unamortized costs) at 12/31/13 should agree to bonds payable on the statement of net position.**

Send copies of new amortization schedules for bonds and unamortized costs.

SCHEDULE 3-B

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended December 31, 2013
NOT APPLICABLE

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2014	\$ _____	\$ _____	\$ _____	\$ _____
2015	_____	_____	_____	_____
2016	_____	_____	_____	_____
2017	_____	_____	_____	_____
2018	_____	_____	_____	_____
2019-2023	_____	_____	_____	_____
2024-2028	_____	_____	_____	_____
2029-2033	_____	_____	_____	_____
2034-2038	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____

SCHEDULE 4-A

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended December 31, 2013

NOT APPLICABLE

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ _____	\$ _____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
2029-2033	_____	_____
2034-2038	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-B

STATE OF LOUISIANA
Lafourche Basin Levee District (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended December 31, 2013

NOT APPLICABLE

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ _____	\$ _____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
2038	_____	_____
Subtotal	_____	_____
Unamortized Discounts/Premiums	_____	_____
Total	\$ _____	\$ _____

***Note: Principal outstanding (bond series plus minus unamortized costs) at 12/31/13 should agree to bonds payable on the statement of net position.**

SCHEDULE 4-C

STATE OF LOUISIANA

Lafourche Basin Levee District (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$5 million, explain the reason for the change. Please provide adequate details to clearly explain the change from last year.

	<u>2013</u>	<u>2012</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>4,405,899</u>	\$ <u>3,362,769</u>	\$ <u>1,043,130</u>	\$ <u>31.0%</u>
Expenses	<u>3,500,527</u>	<u>3,404,836</u>	<u>95,691</u>	<u>2.8%</u>
2) Capital assets	<u>1,484,081</u>	<u>1,688,274</u>	<u>(204,193)</u>	<u>(12.1%)</u>
Long-term debt	<u>1,648,896</u>	<u>1,644,434</u>	<u>4,462</u>	<u>0.002%</u>
Net position	<u>14,435,260</u>	<u>13,529,888</u>	<u>905,372</u>	<u>6.7%</u>
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

AGENCY NUMBER _____
AGENCY NAME _____

[illegible]